

# **Management Standard – Compliance and Other Requirements**

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**Vedanta Resources Plc**

**Sustainability Governance System**

**Management Standard**


**Compliance and Other Requirements**

# Management Standard – Compliance and Other Requirements

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DATE	REVISION NUMBER	CHANGE SUMMARY
11/11/2011	1	Initial issue.
30/01/2021	2	Signatory Update.

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# Management Standard – Compliance and Other Requirements

## 1. PURPOSE

The purpose of this Management Standard is to set clear processes for identifying, tracking and understanding regulatory and other requirements that apply to Vedanta in relation to sustainability.

## 2. SCOPE

This Management Standard is mandatory and applies to all Vedanta subsidiaries and their operational or managed sites including new acquisitions, corporate offices and research facilities and to all new and existing employees. This Standard is applicable to the entire operation lifecycle (including exploration and planning, evaluation, operation and closure).

## 3. DEFINITIONS

Definitions of key terms and concepts used in this document are shown in the following table.

Term	Definition
Competency	A combination of knowledge, skills and behaviours which enable individuals to undertake responsibilities and perform activities to a recognised standard and quality on a consistent basis.
Competent person	An individual who has the necessary and sufficient knowledge, skills and behaviours as well as the necessary experience (practice) to complete their responsibilities safely, effectively and consistently.
Operation(s)	A location or activity that is operated by a Vedanta Company and is part of the Vedanta Group. Locations could include mines, refineries, ports or transportation activities, wind farms, oil and gas development sites, offices including corporate head offices and research and development facilities.
Other Requirements	In this context, “Other Requirements” are requirements that are not set out by legislation, but have been formally adopted by Vedanta Group and its subsidiaries.
Manager	A Vedanta operation employee (or contract employee) who has other persons reporting to them or who has the authority to allocate resources.
Regulatory Requirements	Regulatory requirements are set out in legislation and are enforced by law. These requirements may be enshrined in Acts, Regulations, Standards/Guidelines that are cited in legislation, or Permits/Licences that are developed under legislation. Regulatory requirements may be enacted at a local, regional, state, national or international level.
Sustainability Issues	These are issues that Vedanta and its operations are required to manage on an on-going basis and which are part of the Vedanta sustainability model (responsible stewardship, stakeholder engagement and adding value). Issues include, but are not limited to, health, safety, environmental

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Term	Definition
	and social risk management, community relations, human rights, biodiversity, water management, HIV/Aids, product stewardship, stakeholder engagement, suppliers and contractor management etc.
Top Management	All managers, and their line reports, that report directly to the most senior manager who has ultimate accountability at a Vedanta operation (who may also be a senior manager of one of Vedanta’s subsidiary companies). A top management structure may also exist at the subsidiary Company level and at the Vedanta Group level.
Vedanta Company	A subsidiary of Vedanta Group either fully or majority owned that has its own management structure (e.g. Hindustan Zinc Limited, Vedanta Aluminium Limited, Sterlite Industries limited, etc.)

### 4. PROGRAMME REQUIREMENTS

Vedanta is subject to a range of legal/ regulatory requirements relating to sustainability issues. These requirements are enforced by law and are established through legislation, permits, licences, contracts and legislated standards. Regulatory requirements may be enshrined in Acts, Regulations, or Standards/Guidelines that are given regulatory status under the legislation and may be enacted at a local, regional, state, national or international level.

Vedanta may also be subject to complying with “Other” Requirements relating to sustainability issues. These requirements may also apply at a local, regional, state, national or international level. “Other” Requirements may include, for example:

- meeting the requirements of the IFC Performance Standards, ICMM guidelines and other such international standards and expectations;
- a commitment to support a local community affected by a mine with specific funding (e.g. building a school);
- contractual obligations to provide specific safety protective equipment to a contractor; or
- a commitment to comply with the Sustainability Policy of an industry association to which Vedanta belongs.

Where local regulatory or legal requirements do not exist or where achieving an appropriate level of performance is not a requirement, Vedanta operations shall ensure, as a minimum, that they undertake activities which are compliant with Vedanta’s Vision, Values, Code of Conduct, Policies and Standards. It is important that Vedanta Group, its companies and operations understand and meet regulatory and other requirements to ensure on-going compliance. This standard sets out the process for managing these requirements.

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### 4.1. Identification of Applicable Requirements

- a) Operations shall develop and implement a process for identifying all relevant regulatory, legal and other requirements that relate to sustainability issues and are pertinent to the operations. The process will vary depending on the nature of the operation and could include, for example:
- Reviewing Vedanta policies, standards, strategies and other Group, company and/or operation obligations;
  - Reviewing licences and permit requirements;
  - Reviewing regulatory/legal obligations including, where applicable, guidelines and standards;
  - Reviewing recognised voluntary standards and code of practices that Vedanta have signed up to at Group, company or operational level;
  - Addressing advice from internal or external legal advisors;
  - Conducting workshops involving operational staff and staff who understand applicable regulatory and other requirements;
  - Undertaking surveys of management to identify other requirements such as international standards;
  - Seeking support from external specialist advisors where required;
  - Requesting contract and procurement specialists to provide a list of any requirements identified and documented in contractual arrangements; and
  - Engaging in discussion with national, regional, state and local regulatory officials.
- b) Operations shall identify the personnel who are responsible for identifying all relevant regulatory, legal and other requirements. Personnel assigned with this responsibility shall have the appropriate competencies required to identify, understand and interpret relevant requirements that apply, or have the potential to apply, to Vedanta operations.

### 4.2. Access to Current Applicable Requirements

- a) Operations shall identify the personnel who need access to information associated with regulatory, legal and other requirements in the course of their activities and work processes. Particular employees or functions (e.g. HSE Managers) will need access to the wider range of applicable regulatory requirements while others may need only specific requirements (e.g. a wastewater treatment plant operator may need the wastewater discharge licence);
- b) Operations shall develop a method for ensuring that relevant personnel have ready access to the current and complete version of relevant regulatory, legal and other requirements. Access shall be readily available in an appropriate manner – this requirement is not fulfilled if personnel must search offsite for the information;
- c) Operations shall develop and implement a process for ensuring that information relating to applicable regulatory, legal and other requirements is up-to-date. This may include:
- Subscribing to a commercial legislative update service (note that this may not cover "Other Requirements");
  - Subscribing to update services provided by governments;
  - Contracting with external specialist who provide a legislative update service;

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- Regular scheduled review of all regulatory and other requirements to identify changes that have occurred;
  - Consultation with Vedanta companies and/or Vedanta Group on new or revised requirements that may apply to Vedanta operations; and
  - Providing “controlled” copies of licences and permits to relevant employees (see also the Management Standard MS09 on *Documentation and Records Management*).
- d) Operations shall ensure a process is in place to monitor and review future or planned regulatory and other requirements that could apply or impact Vedanta operations and, where applicable, these are tracked and implemented to ensure compliance.

### 4.3. Register of Regulatory and Other Requirements

- a) Operations shall maintain an up to date register of applicable and relevant regulatory, legal and other requirements. This register shall be reviewed at least on an annual basis by competent personnel or more frequently if there has been a significant change in legislation, the activities of the operation or other significant considerations that need to be taken into account.

### 4.4. Application of Requirements to the Operation

- a) Operations shall develop a process to ensure regulatory, legal and other requirements are implemented into operational activities. This may include:
- Updating work instructions, management plans and standard operating procedures so that they reflect the requirements;
  - Including requirements in improvement plans;
  - Including requirements in maintenance programmes; and
  - Providing additional or new training to relevant personnel.
- b) Operations shall identify personnel who are responsible for incorporating identified regulatory and other requirements into Vedanta activities. Teams involving operations staff and sustainability specialists will be required to ensure that applicable requirements are integrated in a manner that is effective and ensures compliance.
- c) Operations shall develop and implement systems to ensure relevant information is effectively communicated to all applicable employees, contractors and visitors and that relevant requirements are understood. Additional training may also be required.

### 4.5. Monitoring of Compliance with Applicable Requirements

- a) Operations shall identify the means of ensuring that each regulatory or other requirement is met and compliance is achieved. This may include, but not be limited to, undertaking inspections and audits and through periodic reviews of applicable monitoring data to check and maintain compliance.
- b) The audit programme shall meet the requirements of the *Audit and Assurance Management Standard MS12*.

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### 4.6. Management and Reporting of Non-Compliances

- a) Non-compliances with regulatory and other requirements may occur, and are typically identified through activities such as internal audits, incidents, visits by regulators, site walkovers or monitoring programmes. Non-compliances with regulatory and other requirements shall be addressed and closed out through a Corrective Action process in compliance with Management Standard MS13, *Corrective and Preventative Action Management*.
- b) Operations shall ensure a competent manager is assigned responsibility for ensuring corrective actions identified are implemented and closed out.
- c) Senior management and sustainability specialists shall identify the nature of non-compliances that need to be reported to the Vedanta Company or to Vedanta Group. The reporting process shall be clearly described in a documented procedure.
- d) Sustainability specialists shall identify the type of non-compliances that need to be reported to regulators and/ or other stakeholders. A reporting approval mechanism or procedure shall be developed for reporting non-compliances to regulators and/or other stakeholders (e.g. senior management) with internal or external advice as required. Any externally reported non-compliance shall automatically be reported to senior management in the Vedanta Company or to Vedanta Group as per the approval mechanism.

## 5. ROLES AND RESPONSIBILITIES

Vedanta Resources, subsidiaries, businesses, operations and sites shall ensure that roles and responsibilities for implementing and complying with this Standard are allocated. Key responsibilities shall be included in job descriptions, procedures and/or other appropriate documentation.

## 6. COMPLIANCE AND PERFORMANCE

Each Vedanta operation shall ensure they comply with the requirements of this standard. Performance against meeting the requirements of this Standard shall be assessed periodically, documented and, where required, reported to Vedanta Group.

The assessment of performance shall include setting and reporting on key performance indicators (KPIs) where these have been established at Vedanta Group, Company or local level and which meet the requirements as set out in the *Sustainability Data Management Technical Standard*.

The evaluation of performance shall include, as a minimum, confirmation that:

- All relevant sustainability regulatory, legal *and* other requirements have been identified;
- Competent personnel are in place to identify, understand and interpret relevant requirements;
- Relevant personnel needing access to these requirements have been clearly identified;
- Personnel have access to complete and up-to-date requirements;
- A register of applicable requirements has been developed and maintained;

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- The effect of the requirements on Vedanta activities have been considered, and the operation can demonstrate that operational controls have been put in place to ensure that the requirements are met;
- Systems are in place to ensure relevant information is effectively communicated to all applicable employees, contractors and visitors and that relevant requirements are understood;
- There is a clear and suitably frequent means of monitoring compliance with applicable requirements;
- Monitoring is implemented and effective;
- There is a clear process for managing non-compliances with requirements, including effective action planning, tracking and closure;
- There is a clear process for reporting non-compliances with requirements; and
- The process for reporting of non-compliances is followed.

### 7. REVIEW

This Management Standard shall be periodically audited and reviewed to determine its accuracy and relevance with regard to legislation, education, training and technological changes. In all other circumstances, it shall be reviewed no later than 24 months since the previous review.

### 8. REFERENCES

Doc. Ref.	Title
MS 09	Documentation and Records Management
MS 13	Preventive and Corrective Action Management
MS 14	Management Review and Continual Improvement
MS 12	Auditing and Assurance
MS 10	Data Management, Performance Monitoring and Reporting
TS 21	Sustainability Data Management